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IN THIS ISSUE

| | Page |
|---|------|
| GRAINS, GRAIN PRODUCTS, AND FEEDS | |
| Argentine Crop Condition Favorable .. | 277 |
| Cuban Corn Crop Smaller Than Average; Supplies Small | 283 |
| FATS AND OILS | |
| Argentine Flaxseed Acreage Up Slightly from Estimates | 277 |
| COTTON AND OTHER FIBERS | |
| Weekly Cotton Prices on Foreign Markets | 278 |
| Italian Hemp Estimates Revised Downward | 278 |
| Sharp Decline in Silk Production Indicated in Sao Paulo | 279 |
| Turkish Cotton Crop Reduced by Drought | 284 |
| TOBACCO | |
| Denmark to Continue Tobacco Rationing | 279 |
| Bahia's Tobacco Crop Up Sharply | 280 |
| Large Tobacco Surplus Reported in Iraq | 280 |
| FRUITS, VEGETABLES, AND NUTS | |
| World Dried-Apple Estimate Smallest Since 1940 | 280 |
| Newfoundland Blueberry Crop Larger Than Last Year | 281 |
| Production of Bananas in Mexico Same as Last Year | 282 |
| LIVESTOCK AND ANIMAL PRODUCTS | |
| Milk Estimates for Important Producing Countries in 1945 | 275 |
| MISCELLANEOUS | |
| Ukraine's Agriculture Shows Steady Recovery | 282 |

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L A T E C A B L E S

Honduran banana plantings in the Puerto Cortes-San Pedro Sula region were damaged by a hurricane which swept the country's north coast on the night of October 3. Fifty percent of the fruit was destroyed. Expected loss is about 10 to 15 million dollars. Weekly shipments have been revised downward from 185,000 stems to 85,000.

India removed its export restrictions, effective November 3, on a long list of commodities. Among the products that will no longer be subject to export control are indigo, cashew nuts, certain gums and resins, kapok, lac, animal oils, many essential oils, cigars and cigarettes of Indian manufacture, unmanufactured tobacco, fibers for brushes and brooms, hairs of all kinds, animal bladders and casings, furs and skins, raw cotton, essential oil seeds, and spices of all kinds, except pepper and cinnamon.

Finnish-Norwegian negotiations for a trade and payment agreement were concluded recently. Under the terms of the agreement Finland will receive herring, dried fish, whale oil, and a number of industrial raw materials in exchange for barrels, birch, planks, paper, and porcelain products.

A Central American-Mexican Coffee convention, which opened in San Salvador on November 1, is due to last approximately 10 days. The convention, consisting of delegates representing coffee interests in Costa Rica, Guatemala, Honduras, Nicaragua, and Mexico, has as its objective the formation of a coffee federation for the purposes of exercising a more potent voice collectively in international coffee matters than any one of the countries can exercise individually.

The Government of Ecuador is taking steps to increase domestic sugar production to an extent sufficient to supply local needs. The Central Bank has granted loans totaling \$527,000 to the country's two largest sugar mills for purchase of farm implements, plant machinery, and irrigation works. The mills plan to supplement this sum with investment of their own funds to increase their output at least 10,000 short tons. Much of the new production equipment is understood to have been ordered from the United States.

MILK ESTIMATES FOR IMPORTANT PRODUCING COUNTRIES IN 1945

Milk production in continental Europe in 1945 continued much smaller than prewar. On the other hand, North American production was on a relatively high level, with both the United States and Canada reaching record outputs. In the United Kingdom and northwestern European countries, some increase over a year ago has been registered, but in central, southern, and eastern Europe, losses of cows and unfavorable pasture and feed conditions have materially reduced production. At the beginning of 1945, summer drought conditions were sharply reducing production in Southern Hemisphere countries, except in New Zealand. The new season, however, has opened with more favorable conditions both in New Zealand and in Australia.

While total world milk production in 1945 is expected to be larger than in 1944, it is much smaller than prewar. The smaller 1945 production, as compared with prewar, is largely the result of at least a 12 percent decline in dairy cow numbers in Europe to the beginning of 1944 and an estimated 15 percent drop in output per cow. That Continent in the immediate prewar period produced about half of the estimated world's total milk production.

Owing to favorable pasture conditions, increases in milk production in 1945 over 1944 have been reported in Sweden, Norway, Denmark, and the Netherlands. Normal or better hay and forage crops will help maintain production. In the United Kingdom, better pastures and improved feed supplies have aided production, but the strong demand for milk kept rationing in effect, and little milk has been diverted into manufacturing channels.

In Finland, poor pastures and a below normal hay crop have resulted in production materially smaller than in 1944. French output in 1945 has been again adversely affected by poor summer pasture conditions particularly from Normandy to the south of France. Drought conditions also resulted in smaller milk production in Switzerland and Italy. The latter country suffered further losses in cows in 1945, as did Czechoslovakia, Austria, and Germany.

A slight increase in cow numbers in New Zealand, together with favorable pasture conditions in the season just opened, will lift milk production for the whole of 1945 well above 1944. On the basis of the output of butter and cheese, the increase in milk production over 1944 will be about 16 percent.

In Australia, the downward trend in cow numbers that has prevailed since the early years of the war has about leveled off. There were 2,277,000 cows reported in 1945, as compared to 2,293,000 in 1944. While pasture conditions in Australia have improved greatly at the beginning of the new season, total production for 1945 will be slightly lower than for 1944 because of the drought conditions that prevailed early this year.

As a result of highly favorable pasture conditions and ample feed supplies in the United States, total milk output has increased to 123 billion pounds, or about 4 billion pounds more than a year ago. While a slight decline in cow numbers was evident at mid-year, output per cow was continuing high owing to good pastures and heavy feeding of grain. Consequently, production for the last months of the year will be well maintained.

Milk production in Canada in July and August showed an increase of 2.5 percent over production for the same months in 1944, and preliminary estimates for the year place output at 18.9 billion pounds, compared with 17.6 in 1944.

MILK: Preliminary estimates of production in important producing countries, 1945 with comparisons a/

| Country | Production | | |
|-------------------------|------------|------------|-------------|
| | Average | Total 1944 | Preliminary |
| | 1934-1938 | | 1945 |
| | Million | Million | Million |
| | pounds | pounds | pounds |
| United States | 102,590 | b/ 119,064 | 123,000 |
| Germany | 55,290 | c/ 49,000 | - |
| France | 32,483 | c/ 21,000 | - |
| Canada | 16,287 | 17,605 | 18,900 |
| United Kingdom e/ | d/ 16,089 | c/ 16,300 | 16,500 |
| Australia | f/ 11,866 | 10,358 | 10,200 |
| Denmark | 11,642 | 8,935 | 9,150 |
| Netherlands | 10,891 | c/ 6,200 | 6,300 |
| Czechoslovakia | d/ 10,195 | c/ 8,700 | - |
| New Zealand | g/ 9,707 | - | - |
| Sweden | 10,494 | 9,288 | 9,700 |
| Switzerland | 6,182 | 4,557 | - |
| Belgium | 6,729 | c/ 4,017 | 4,000 |
| Finland | 5,587 | b/c/ 3,578 | 3,200 |

Compiled from official sources.

a/ Cow's milk. b/ Revised. c/ Estimated. d/ Less than a 5-year average.

e/ Excludes milk fed on farms. f/ Production year beginning July.

g/ Production year beginning April.

1/ This is one of a series of regularly scheduled reports on world agricultural prospects, approved by the Office of Foreign Agricultural Relations' Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, Chairman; C. M. Purves; Floyd E. Davis; Regina M. Murray; Lois B. Bacon; Sylvia S. Goodstein; and Friedrich S. Straus.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS 1/ARGENTINE CROP
CONDITION FAVORABLE

Weather conditions in Argentina continue favorable for growing grain crops, with moisture supplies now generally ample, according to latest reports. As a result of improvement in prospects following heavy rains late in October, trade sources predict that wheat yields per acre will be at least average. Average yields per seeded acre on the acreage reported would yield a total crop of around 200 million bushels, or about 50 million bushels more than last year's small harvest.

The latest official estimate of the acreage sown to small grains shows very slight change from the preceding estimate for wheat and oats, but increases for barley and rye. The third estimate places wheat at 14,184,000 acres, compared with last year's acreage of 15,369,000 acres and the average of 18,246,000 acres during 1938-1942. The oats area is now estimated at 4,181,000 acres, about 750,000 acres smaller than last year's seeded area, though still slightly larger than average.

The rye acreage, now estimated at 3,704,000 acres, is about 100,000 acres larger than reported formerly and somewhat larger than average, though smaller than a year ago. Barley seedings are placed at 2,555,000 acres, which would be the largest acreage on record. Ordinarily a considerable part of the acreage seeded to barley, oats, and rye is used as pasture. This year, however, with the active demand and higher prices for rye and barley, the situation appears favorable for a larger proportion of these crops to be harvested as grain.

The heavy rainfall made conditions more favorable for planting corn, and late plantings were accelerated in early November. Planting was expected to be completed in a short time, and a good acreage increase was expected, according to trade reports. Corn plantings in 1944 amounted to 9,927,000 acres, which was the smallest planting since 1924. As a result of a severe drought that caused extensive damage, the harvested acreage was only 5,232,000 acres and the crop output 116,745,000 bushels.

FATS AND OILSARGENTINE FLAXSEED ACREAGE UP
SLIGHTLY FROM PRIOR ESTIMATES

The third official estimate for the 1945-46 Argentine flaxseed acreage shows a slight increase over earlier forecasts. This is 2.4

1/ The Grain Section is continued on page 283.

percent smaller than the corresponding estimate last season. Late sowing in the Provinces of Santa Fe and Entre Rios was completed under satisfactory conditions, and rains at the end of September gave the plants an excellent start.

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Price of certain foreign growths
and qualities in specified markets

| Market location; kind and quality | Date 1945 | Unit of weight | Unit of currency | Price in foreign currency | Equivalent U.S. cents per pound |
|--------------------------------------|--------------|-------------------|---------------------|---------------------------------|---------------------------------------|
| Alexandria (spot) | | Kantar | | | |
| Ashmouni, F.G.F..... | 10-25 | 99.05 lbs. | Tallaris | 35.25 | 29.43 |
| Giza 7, F.G.F..... | 10-25 | 99.05 lbs. | Tallaris | Not quoted | |
| Karnak, F.G.F..... | 10-25 | 99.05 lbs. | Tallaris | 38.50 | 32.14 |
| Bombay (Jan. futures)..... | | Candy | | | |
| Jarila..... | 10-26 | 784 lbs. | Rupee | 391.75 | 15.05 |
| Bombay (spot) | | Candy | | | |
| Rampala, East African..... | 10-26 | 784 lbs. | Rupee | 850.00 | 32.66 |
| Buenos Aires (spot) | | Metric Ton | | | |
| Type B..... | 10-27 | 2204.6 lbs. | Peso | 1300.00 | 17.56 |
| Lima (spot) | | Sp. Quintal | | | |
| Tanguis, Type 5..... | 10-27 | 101.4 lbs. | Sol | 105.00 | 15.93 |
| Recife (spot) | | Arroba | | | |
| Mata, Type 5..... | 10-26 | 33.07 lbs. | Cruzeiro | 80.00 | 13.17 |
| Sertao, Type 5..... | 10-26 | 33.07 lbs. | Cruzeiro | 82.00 | 13.50 |
| Sao Paulo, (spot) | | Arroba | | | |
| Sao Paulo, Type 5..... | 10-26 | 33.07 lbs. | Cruzeiro | 92.00 | 15.15 |
| Torreón (spot) | | Sp. Quintal | | | |
| Middling, 15/16"..... | 10-27 | 101.4 lbs. | Peso | 86.25 | 17.50 |

Compiled from weekly cables from representatives abroad.

ITALIAN HEMP ESTIMATES REVISED DOWNWARD

Hemp crop estimates in Italy during 1943 and 1944 have been revised downward, a recent release from the Italian Central Statistical Institute discloses. Data for the 1943 crop were revised from 210,000 acres and 206 million pounds of fiber to 174,000 acres and 161 million pounds. In addition, data for the 1944 crop were revised from 168,000 acres and 132 million pounds of fiber to 129,000 acres and 123 million pounds. Although figures are still subject to revision, they show that reduction in cultivation since 1941 is considerably more marked than was indicated by preliminary reports.

During 1941 a crop of 298 million pounds of fiber was produced from 245,600 acres. This was the largest crop in many years. Production in 1942 fell to 222 million pounds of fiber from 215,000 acres. According to early estimates for the 1945 crop, about 80 to 100 million pounds of fiber will be produced. (See Foreign Crops and Markets, September 3, 1945, for the regions of production.)

SHARP DECLINE IN SILK PRODUCTION INDICATED IN SAO PAULO

Recent reports of the 1945-46 production of silk in Sao Paulo indicate a drop of about 40 percent from the preceding year. Approximately 660,000 pounds of silk yarn were produced during the 1943-44 season, compared with about 350,000 pounds during the 1942-43 season.

Earlier this season a shipment of silkworm eggs from Italy was brought to Sao Paulo for the purpose of introducing new races in the sericultural industry. While cross-breeding was expected to strengthen the silkworms and increase output of raw silk, the present price offered growers for their silk apparently does not give the encouragement needed to maintain production at the level reached during the past year.

Sao Paulo production represents more than 95 percent of the total Brazilian silk output. The oldest experiment station is in Minas Geraes. Growth of the industry there, however, has been comparatively slow. Small amounts of silk are also produced in the northern part of Parana, in the Amazon Valley, and in Espirito Santo.

TOBACCO

DENMARK TO CONTINUE TOBACCO RATIONING

Despite a sharp increase in domestic production of tobacco during the war, Denmark plans to continue tobacco rationing in view of the substantial decline in imports. In prewar years, Denmark depended almost entirely on imports to meet its leaf tobacco requirements. A decree effective October 1, issued by the Ministry of Commerce, reduced the amounts of products available to consumers in many cases. Present rations permit a monthly allowance of only 200 cigarettes per smoker, and users of other tobacco products are allowed correspondingly small amounts of their preferred products.

During the past 2 years, Denmark has depended almost entirely on domestic production for its tobacco supplies. The country's tobacco crop has shown remarkable steady increases from the 31,000 pounds produced in 1939. Preliminary estimates place the 1945 crop at about 5.7 million pounds, or only 27 percent of the prewar (1935-1939) average imports.

Denmark's imports of leaf tobacco averaged 20.7 million pounds annually during the 5-year (1935-1939) period. Imports from the

Netherlands, chiefly tobacco grown in the Netherlands Indies; averaged 10,687,000 pounds for the period, while the United States ranked second as a supplier with an average of 3.9 million pounds. Most of the United States leaf consisted of flue-cured and burley leaf. In 1944, total imports declined to only 3.3 million pounds, or about 16 percent of prewar, and imports during the first 8 months of 1945 reached the low level of about 400,000 pounds.

BAHIA'S TOBACCO

CROP UP SHARPLY

The exceptionally large tobacco crop for 1945-46 in Bahia, Brazil, is estimated at between 66.1 million and 82.7 million pounds, or from 14 to 42 percent more than last season's crop of 58 million pounds. Increased production is attributed to high prices, good weather conditions, and continued heavy demand for exports, according to a report from the American Consulate at Bahia.

Most of Brazil's tobacco exports originate in the State of Bahia. During the period January to August in 1945, exports amounted to 30.5 million pounds, destined principally to Spain, Argentina, Algeria, and the Netherlands. Exports averaged 60.9 million pounds annually during the prewar period, 1937-1939.

LARGE TOBACCO SURPLUS

REPORTED IN IRAQ

Sharply increased tobacco production in Iraq during the past two seasons has resulted in the accumulation of considerable stocks of leaf tobacco. Heavy consumer demand during 1943, especially by foreign troops stationed in Iraq, stimulated production. During the 1943-44 season, about 15 million pounds were produced. Estimates place the 1944-45 crop at a record of 22 million pounds. When the current harvest is completed the Tobacco Monopoly will have about 11 million pounds available for export. The Monopoly is endeavoring to find markets for this large surplus and has engaged the services of foreign tobacco experts to improve grading methods.

FRUITS, VEGETABLES, AND NUTS

WORLD DRIED-APPLE ESTIMATE

SMALLEST SINCE 1940 1/

The 1945 preliminary estimate of dried-apple production in the five leading commercial producing countries is 15,900 short tons, compared with 27,000 tons in 1944 and 26,000 tons in 1943. This estimate represents a marked decline from the 5-year (1939-1943) average of 24,600 tons and the 10-year (1934-1943) average of 24,800 tons. It is only slightly over half as large as the all-time high of 30,400 tons produced in 1939. Sharp reductions in production this year are reported in Canada, and the

United States. Although a slight increase is reported for Australia, both New Zealand and South Africa continue to maintain their usual small production. Because of poor apple crops, the estimates for Canada and the United States show a large decline.

APPLES, DRIED: Estimated production in specified countries,
average 1934-1943, annual 1942-1945
(Rounded to nearest 100 short tons)

| Year | Aus- tralia | Canada | New Zealand | Union of South Africa | Foreign total | United States | World total |
|-------------|----------------|---------------|----------------|-----------------------------|------------------|------------------|----------------|
| | Short tons | Short tons | Short tons | Short tons | Short tons | Short tons | Short tons |
| Average | | | | | | | |
| 1934-1943 | 800 | 3,500 | 0 | 100 | 4,400 | 20,400 | 24,800 |
| 1939-1943 | 1,000 | 4,800 | 0 | 200 | 6,000 | 18,600 | 24,600 |
| 1942 | 1,300 | 5,900 | 0 | 300 | 7,500 | 21,000 | 28,500 |
| 1943 | 1,900:c/ | 6,400 | 0 | 200 :c/ | 8,500 | 17,500:c/ | 26,000 |
| 1944 a/ ..: | c/2,700:c/ | 6,900 | 200 | 200 :c/ | 10,000:c/ | 17,000:c/ | 27,000 |
| 1945 b/ ..: | 2,800 | 700 | 200 | 200 | 3,900 | 12,000 | 15,900 |

Compiled from trade and official sources.

a/ Preliminary.

b/ Preliminary estimate.

c/ Revised.

In view of small production in Canada and the United States, the two major producing countries, the export outlook is rather poor. Australia and the United States, however, are the only countries that are in a position to export. On the other hand, Canada, being unable to export this year, would like to import from the United States. The exportable surpluses in New Zealand and South Africa are relatively unimportant. (For further details see Foreign Crops and Markets, February 15, 1945.)

1/ A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations.

NEWFOUNDLAND BLUEBERRY CROP LARGER THAN LAST YEAR

The 1945 blueberry crop in Newfoundland is estimated at 1.2 million pounds, 60 percent more than the 1944 crop of 750,000 pounds, but considerably less than the normal production of between 5 and 6 million pounds. The decrease in output results from unfavorable weather conditions and difficulties in securing pickers. Nearly the entire 1945 crop will be frozen and packed in boxes of 30 pounds (net). The berries are not cultivated in Newfoundland but grow wild in patches ranging from 1 acre. In order to stimulate the blueberry harvest, purchasing firms offered 40 cents per gallon this season, four times as much as in prewar years.

PRODUCTION OF BANANAS
IN MEXICO SAME AS IN 1944

The 1945 production of bananas in Mexico will be about the same as in 1944, or around 19,340,000 bunches of 50 pounds. On the basis of earlier estimates, the 1945 production was expected to be larger than that of last year, but hurricanes from September 30 through October 5, practically destroyed all the banana plants in the Chiapas area. While production in Tabasco, Veracruz, and other areas probably will be slightly larger than in 1944, the decrease in Chiapas may offset these increases and raise the country's total output to about the same level as in 1944.

The loss in Chiapas is estimated at \$4,948,000 (24,000,000 pesos). Growers have petitioned the Governor of the State to order the return of all 1945 production taxes on bananas in order to assist the rebuilding of the industry.

While production in Tabasco is expected to be about 15 to 20 percent larger than that of last year, in Veracruz and in most other areas in Mexico, except in Chiapas, it is reported to be as good or better than last year's output. Exports are expected to exceed those of last year. Shipments continue to increase from a new producing area near Valles in the State of San Potosi. Plantations in this area are said to be free from disease, and the fruit is of very good quality. Production costs are relatively higher in this area because of the large amount of irrigation required.

Exports in the first 8 months of 1945 have amounted to 3.8 million stems, of which amount 42,000 went to Canada, and the remainder went to the United States.

Consumption of Roatan bananas in 1944 was estimated at 363,307,000 pounds, or about 16.5 pounds per capita. Bananas consumed domestically almost equaled the amount exported. Nearly as many other classes of bananas besides Roatan, including Cavendish, finger bananas, plantains, and others were consumed largely in areas where they were produced and the demand does not change much from year to year.

MISCELLANEOUS

UKRAINE'S AGRICULTURE
SHOWS STEADY RECOVERY

Ukraine's agricultural area, which had suffered severely as a result of war devastation, is showing further recovery, but the 1945 acreage is still nearly 30 percent less than prewar, according to reports from Soviet sources. On collective farms of the Ukraine, 71 percent of the total prewar acreage and 81 percent of the prewar grain acreage was planted in 1945. In 1944, 65 percent and 73 percent, respectively were planted.

In 1938, the last prewar year for which detailed data of sowings were published, the crop area sown on collective farms totaled 50.7 million acres and the grain area 39.5 million acres, of which wheat, mostly fall sown, accounted for 16.8 million acres. In addition, 3.2 million acres had been under perennial tame hay sown in former years. The 1939 Government plan called for a total crop area of 49.4 million acres, exclusive of perennial tame hay sown in former years, and a grain area of 37.8 million acres, of which 16.1 million acres were to be planted to wheat.

GRAINS (continued)

CUBAN CORN CROP SMALLER THAN AVERAGE; SUPPLIES SMALL

Corn production in Cuba during the current season is placed at about 5 million bushels, according to a recent report from the American Embassy at Habana. Though the crop appears to be only about 80 percent of normal, the outlook is much better than expected on the basis of earlier season prospects. (See Foreign Crops and Markets, August 6.) The indicated reduction was due to damage, particularly to the main crop, from a drought that began in October 1944 and continued until late June 1945.

While the main crop is much smaller than average, prospects are promising for the late crop, which is usually about 25 percent of the total. That crop normally is planted in August and September and harvested in October and November. Plantings of the second crop this year, however, continued into October, and some late plantings will not be harvested until January. The late crop is expected to be somewhat larger than average, due to expanded acreage and favorable weather.

Though the increased late crop is expected to ease the shortage to some extent, as is the good fall-root crop, supplies are expected to remain below requirements until the harvest of the main crop in 1946. The demand for corn has increased somewhat because of the higher consumer purchasing power.

Despite legislation permitting free import of up to 535,000 bushels of corn during the 4 months ended November 13, only about 195,000 bushels had been imported at the end of October. Present wholesale offerings for corn somewhat exceed the official ceiling price.

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NOTE

The world egg production report, scheduled for this week's Foreign Crops and Markets, will appear in a later issue.

COTTON (continued)TURKISH COTTON CROP
REDUCED BY DROUGHT

The 1945 cotton crop in Turkey is estimated at about 166,000 bales (of 478 pounds), compared with 221,000 bales in 1944. Incomplete data indicate an increase in acreage from around 615,000 to 640,000 acres, respectively, but yield per acre was reduced in 1945 by severe drought conditions. The Turkish crop has heretofore been composed chiefly of two varieties of American type cotton, Acala and Cleveland, and 15,000 to 25,000 bales annually of a native type called Yerli, but production from this time onward is to be concentrated on Acala.

All phases of the cotton industry were under direct Government control during the war years, and nearly all of the regulations were extended to cover the 1945-46 season. A 10 percent export tax was recently eliminated, and the wartime ban on exportation of cotton through regular trade channels was removed. The Sumer Bank (official institution), however, continues as the sole purchaser and distributor of cotton. The sale and transportation of cotton and cottonseed are subject to authorization by this institution.

Cotton exports, all to European countries, amounted to 40,000 bales (of 478 pounds) in 1939, 51,000 in 1940, and 36,000 in 1943. Data for other war years are not available. Cotton spinning mills require 125,000 to 150,000 bales annually and additional quantities are used for other purposes. No carry-over estimate was reported this year. About 65,000 bales were reported for July 31, 1944. Exports to continental Europe are believed to have been negligible during the last year of the war, indicating a probable export surplus of around 130,000 bales on hand when the war in Europe ended.

Prices paid by the Government to cotton growers range from 1.05 lira per kilogram (36.91 cents per pound) for Grade II native type cotton to 1.25 lira (43.94 cents) for Grade I Acala. Prices for cotton sold to spinners by the Government range from 1.53 lira (53.79 cents) to 1.83 lira (66.09 cents) respectively. Prices of the Cleveland variety are usually slightly under the Acala prices, but this variety apparently was not cultivated in 1945. The entire price schedule was raised by more than 50 percent late in 1943 but was reduced by 8 to 9 percent for 1944 and 1945.